

STATE OF VERMONT  
PUBLIC SERVICE BOARD

Docket No. 7657

Petition of William Matteson for approval under )  
30 V.S.A. § 107 of the acquisition of a )  
controlling interest in Colonial Estates Water )  
Corporation )

Order entered: 5/26/2011

**ORDER RE TRANSITION PROPOSAL**

**I. BACKGROUND**

In an Order entered on September 10, 2011, approving the purchase by William Matteson of half of the outstanding shares of Colonial Estates Water Corporation ("Water Company"), the Public Service Board ("Board") required Mr. Matteson to file a proposal for completing an orderly transition to a new operator of the water system in the event Mr. Matteson intended to replace the current operator, Simon Operations Service, Inc. ("SOS").<sup>1</sup>

On March 31, 2011, Mr. Matteson filed a copy of a new professional services agreement with SOS under which the responsibilities for operating the water system were divided between Mr. Matteson and SOS.<sup>2</sup> Under the Agreement, SOS will continue to provide water-treatment services for the water system at a cost of \$500 per month. Mr. Matteson is assuming all other responsibilities related to the operation of the water system and the Water Company.

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1. Condition 3 of the Board's Order stated:

If Mr. Matteson intends to replace the current operator of the water system used in the business of Colonial Estates Water Corporation, Mr. Matteson shall file with the Department of Public Service and the Public Service Board ("Board"), a proposal for completing an orderly transition to the new operator, which proposal shall provide for adequate advance notice to the customers of the Water Company. Mr. Matteson shall not replace the current operator of the water system until either (a) the Public Service Board approves such proposal, or (b) sixty days has elapsed since the filing of such proposal without an order of the Public Service Board in regard to such proposal having been entered.

Order in this docket of 9/10/11 at 4-5.

2. See "Transition Plan for Management of Colonial Estates Water Corporation" filed on March 31, 2011.

On May 12, 2011, the Department of Public Service ("Department") advised the Board of its recommendation that the Board approve these arrangements as a transition plan proposal for purposes of its prior Order. The Department indicated that it had reviewed these arrangements and that it continues to engage in discussions with SOS and Mr. Matteson as they proceed with the transition. The Department also observed that Mr. Matteson and SOS have been cooperative and helpful throughout the transition and that the Department anticipates that they will continue to be responsive to the needs of the Water Company's customers and to each other.

Based on the foregoing, the Board approves the proposed transition arrangements between Mr. Matteson and SOS. However, the Board will require Mr. Matteson to make a filing with the Board at least sixty days prior to any termination or non-renewal of the Agreement for Professional Services between the Water Company and SOS.

## **II. ORDER**

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED by the Public Service Board ("Board") of the State of Vermont that:

1. The transition proposal and arrangements related to the operation of the water system of Colonial Estates Water Corporation as set forth in the "Transition Plan for Management of Colonial Estates Water Corporation" filed on March 31, 2011, and the Proposed Agreement for Professional Services between Colonial Estates Water Corporation and Simon Operation Services, Inc., in the form filed with the Board on March 31, 2011 ("SOS Agreement"), are approved in satisfaction of the requirements of Condition 3 in the Board's Order of September 10, 2011.

2. If Colonial Estates Water Corporation wishes to terminate or not renew the SOS Agreement, it shall so advise the Board and the Department of Public Service at least sixty days prior to the effectiveness of such termination or non-renewal. If Colonial Estates Water Corporation receives notice from Simon Operations Services, Inc. indicating the company plans to terminate or not renew the SOS Agreement, Colonial Estates Water Corporation shall so advise the Board and the Department of Public Service within ten days after the receipt of such notice. In either case, Colonial Estates Water Corporation shall include with its filing a proposal,

which shall be subject to Board approval, for the performance of water-treatment services for its water system upon the effectiveness of such termination or non-renewal of the SOS Agreement.

Dated at Montpelier, Vermont, this 26<sup>th</sup> day of May, 2011.

<u>s/James Volz</u>	)	
	)	PUBLIC SERVICE
	)	
<u>s/David C. Coen</u>	)	BOARD
	)	
	)	OF VERMONT
<u>s/John D. Burke</u>	)	

OFFICE OF THE CLERK

FILED: May 26, 2011

ATTEST: s/Susan M. Hudson

Clerk of the Board

*NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: psb.clerk@state.vt)*

*Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Board within thirty days. Appeal will not stay the effect of this Order, absent further Order by this Board or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Board within ten days of the date of this decision and order.*